

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 9/22/2015	(3) CONTACT/PHONE Mark Hutchinson, Deputy Director of Public Works (805) 781-5458	
(4) SUBJECT Request to authorize the County Public Works Director to approve and execute a Consent to One-Time Extension of Time under Article 9 Paragraph (C) of the Lopez Water Supply Contracts on behalf of County Service Area 12 (CSA 12-Avila Area). District 3.			
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors acting on behalf of County Service Area 12 (County) authorize the County Public Works Director to approve and execute a Consent to One-Time Extension of Time Under Article 9 Paragraph (C) of the Lopez Water Supply Contracts affirming that the County has no objection to the San Luis Obispo County Flood Control and Water Conservation District's (District) one-time extension of the period of time within which the Lopez Water Supply Contractors can request an amendment to their water delivery schedules for Water Year 2014-2015 (Attachment 2).			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>20min</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 3			

Reference: 15SEPT22-BB-2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Mark Hutchinson, Deputy Director of Public Works

VIA: Wade Horton, Director of Public Works

DATE: 9/22/2015

SUBJECT: Request to authorize the County Public Works Director to approve and execute a Consent to One-Time Extension of Time under Article 9 Paragraph (C) of the Lopez Water Supply Contracts on behalf of County Service Area 12 (CSA 12-Avila Area). District 3.

RECOMMENDATION

It is recommended that the Board of Supervisors acting on behalf of County Service Area 12 (County) authorize the County Public Works Director to approve and execute a Consent to One-Time Extension of Time Under Article 9 Paragraph (C) of the Lopez Water Supply Contracts affirming that the County has no objection to the San Luis Obispo County Flood Control and Water Conservation District's (District) one-time extension of the period of time within which the Lopez Water Supply Contractors can request an amendment to their water delivery schedules for Water Year 2014-2015 (Attachment 2).

DISCUSSION

The County has an annual entitlement to Lopez Project water via a water supply contract with the District in the amount of 337 acre feet. The County in turn sub-contracts with 22 other individuals and agencies for delivery of the County's entitlement (see Attachment 1).

Retro-Active Water Accounting Change

At the beginning of the Lopez 2015-16 water year (April), several Zone 3 agencies identified a water management opportunity due to the implementation of the Low Reservoir Response Plan that was adopted by your Board in December of 2014. Under the Low Reservoir Response Plan (LRRP), agencies may "carry over" any of their unused Lopez water from the previous year. Consequently, agencies that subscribed to both Zone 3 water and State Water, requested a retro-active water accounting change to effectively exchange Lopez water used in 2014 for a like amount of unused State Water. In doing so, their quantity of unused Lopez water would increase and thereby increase their amount of "carry over" water available in 2015-16. This exchange is possible because during the spring of 2014, State Water above what was requested was moved into Lopez Reservoir for the benefit of State Water subcontractors connected to the Lopez system in case State Water Project deliveries were shut down.

In order to affect this retro-active water accounting change all agencies must consent to a one-time modification of the provision in the water supply contracts for both Lopez and State Water (like contracts) requiring that requests for changes to deliveries occur **prior** to delivery. As this is a retro-active request for a change in deliveries, a written consent from all agencies, including the County, is needed. On May 6, 2015 a letter and consent form was sent to all agencies taking Zone 3 water, State Water, or both, requesting execution of the consent form. As of August 24, 2015, the District had received executed consent forms from all agencies (Oceano, Pismo, Arroyo Grande, and Grover Beach) as well as all the State Water sub-contractors except the County. Attachment 2 is the consent form provided by the District and recommended for approval and execution by the County Public Works Director.

Three (3) agencies have requested to participate in this water management opportunity – Oceano CSD, City of Pismo Beach, and Avila Beach Community Services District (CSD). Avila Beach CSD is a sub-contractor to the County. Table 1 below shows the results of the retro-active water accounting change while under the LRRP if it is approved. This water accounting change for 2014 will in turn affect the annual declaration of Lopez surplus water required by the contracts and before your Board today as a separate Board item.

TABLE 1: Results of Retro -Active Water Accounting Change

Retro-Active Water Accounting Change For Water Year 2014-2015		
Agency	Carry Over Before	Carry Over After
Pismo Beach	0	505
Oceano CSD	132	459
Avila Beach CSD	37	52

Although there is no change in “wet” water in the reservoir, the accounting exchange will clarify ownership of the water (moves the water from a Flood Control District State Water category to individual Zone 3 agency carryover accounts), providing participating agencies more assurance as they plan for continued drought. At the same time, water sales between Zone 3 Agencies is a more straightforward process than a District State water to non-State Water participant sale, should the need arise.

OTHER AGENCY INVOLVEMENT/IMPACT

The Zone 3 Advisory Committee at their May 21, 2015 meeting adopted the following recommendation:

To support efforts by Zone 3 Contractors to re-characterize 2014 water (also known as the one-time retro-active water accounting change) from "Lopez Water" to "State Water" in order to maximize water management opportunities.

The recommended actions today are consistent with the Zone 3 Advisory Committees recommended actions.

FINANCIAL CONSIDERATIONS

There are no specific financial impacts to CSA 12, however, the water accounting change will result in additional variable energy costs to the Avila Beach CSD of approximately \$200/AF for State Water.

RESULTS

Approval and execution of the consent on behalf of CSA 12 that will affect a one-time water accounting change that will provide greater flexibility for management of CSA 12 sub-contractors water supplies, specifically Avila Beach CSD, as well as to the other Zone 3 contractors to mitigate a water supply emergency in Zone 3, thereby promoting a livable community.

ATTACHMENTS

1. Vicinity Map – CSA 12
2. Attachment 1- Summary of CSA 12 Sub-Contractors Entitlements
3. Attachment 2- Consent to One-Time Extension of Time Under Article 9 Paragraph (C) of the Lopez Water Supply Contracts

Reference: 15SEPT22-BB-2

File: CF 340.101.01

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